

Message Text

CONFIDENTIAL

PAGE 01 KABUL 01681 121312 Z

43

ACTION NEA-12

INFO OCT-01 ADP-00 SCA-01 SCS-03 L-03 CIAE-00 INR-09

NSAE-00 RSC-01 EUR-25 OPR-02 CU-04 RSR-01 USIA-12

/074 W

----- 028755

R 121340 Z MAR 73

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 2343

C O N F I D E N T I A L KABUL 1681

DEPARTMENT FOR NEA/ PAB

E. O. 11652; GDS

TAGS: CPRS, SOCL, PFOR, AF

SUBJECT: COMMUNITY CHRISTIAN CHURCH: STATUS REPORT

REF: KABUL 1613

1. CHURCH BOARD HAS ADVISED ME THEY WISH NEGOTIATE WITH RGA ON BASIS OF " AREA OF POTENTIAL AGREEMENT" AS WORKED OUT BETWEEN AMBASSADOR AND PRIME MINISTER (REFTEL PARA SIX). MAYOR OF KABUL DESIGNATED BY RGA TO NEGOTIATE WITH BOARD REPS. WE HAVE MADE CLEAR TO BOARD THAT NEGOTIATIONS ARE THEIR RESPONSIBILITY, AND HAVE ASKED MERELY THAT WE BE KEPT INFORMED.

2. NO RPT NO NAMES OF CHURCH MEMBERS EXCEPT THAT OF DR. WILSON GIVEN TO EMBASSY DESPITE STATEMENT BY PM THAT HE WOULD PROVIDE SUCH A LIST OF THOSE WHO MUST LEAVE WITHIN TWO DAYS OF OUR MEETING MARCH 6. HOWEVER, DR. HERBERT FRIESEN, DIRECTOR OF NOOR EYE INSTITUTE, WAS HANDED MARCH 7 BY DEP MINISTER PUBLIC HEALTH A LATTER LISTING SIX INDIVIDUALS WHO HAD TO LEAVE THE COUNTRY WITHIN A FEW DAYS AND DIRECTING THE IMMEDIATE CLOSURE OF THE BLIND SCHOOL, A SUBSIDIARY OF THE NOOR INSTITUTE. (WE HAVE FOR SOME TIME UNDERSTOOD THAT RGA REGARDED THE BLIND SCHOOL AS " CENTER" OF PROSELYTIZING EFFORTS.) ONLY TWO FOREIGNERS ON LIST ARE US CITIZENS, AND ONE OF THESE IS CONNECTED WITH MEDICAL ASSISTANCE PROGRAM RATHER THAN NOOR WHICH SUGGEST SOME POSSIBLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KABUL 01681 121312 Z

CONFUSION WITHIN RGA WHICH WE ARE ATTEMPTING HELP CLARIFY.
NOOR IS IN PROCESS OF CARRYING OUT GOVERNMENT' S INSTRUCTIONS.

3. AMERIC

(1) 2,500 RIELS PER KG; ANNUAL IMPORT FROM 170 TO 200 TONS.

(2) ESTIMATE BASED ON:	(US \$	(EXCHANGE	(RIELS
	MILLIONS)	RATE)	000,000)
ESF	26.5 M. US	X230 -	6,095)

CIP-941 COUNTRIES	15	X 230 -	3,450)
-------------------	----	---------	--------

CIP- US	15	X 161 -	2,415)
---------	----	---------	--------

PL 480	5	X 230 -	1,150)
--------	---	---------	--------

TOTAL	13.1 BILLION		
-------	--------------	--	--

II. BUDGET EXPENDITURES

A/ A GENERAL AND UNIFORM REDUCTION OF 20 PERCENT ON MATERIAL EXPENDITURES OF ALL MINISTRIES; THIS REDUCTION SHOULD SAVE ABOUT KR 500 MILLION IN MATERIAL EXPENDITURES, THE AMOUNT OF THE NATIONAL BUDGET SHOULD THUS BE 34,200 MILLION RIELS.

B/ KEEPING THE NUMBER OF EFFECTIVES AT 250,000 MEN AND ELIMINATION OF 900 MILLION RIELS ESTIMATED FOR MILITARY PROMOTIONS. THIS ACTION IS JUSTIFIED BY THE FACT THAT THIS AMOUNT IS DOUBLE COUNTED WITH THE SAME AMOUNT INCLUDED IN THE THIRD SUPPLEMENTARY BUDGET OF FY 72 FOR THE SAME PROMOTIONS.

IF THE COUNCIL OF MINISTERS SHOULD ADOPT THIS IMF PROPOSAL, THE 900 MILLION WOULD BE AVAILABLE AND COULD BE USED FOR OTHER ITEMS OF EXPENDITURES DETERMINED BY THE GOVERNMENT TO HAVE PRIORITY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PHNOM 02236 121340 Z

C/ PUT OFF, EXCEPT FOR URGENT NEEDS, ALL NEW RECRUITING AND FREEZE THE CIVILIAN AND MILITARY SALARY LEVELS IN 1973.

D/ ESTABLISH A CEILING FOR GOVERNMENTAL EXPENDITURES OF FOREIGN EXCHANGE (CIVILIAN AND MILITARY MISSIONS, EMBASSIES,...) ACCORDING TO THE IMF RECOMMENDED CEILING OF \$8 MILLION A YEAR. AN AD HOC COMMITTEE COMPOSED OF THE BNC, THE MINISTRY OF FINANCE, THE

MINISTRY OF FOREIGN AFFAIRS AND THE MINISTRY OF NATIONAL DEFENSE SHOULD PROCEED UNDER THE CHAIRMANSHIP OF THE PRIME MINISTER TO APPORTION BY MAJOR CATEGORIES THE EXPENDITURES OF FOREIGN EXCHANGE FOR THESE PURPOSES.

ACCORDING TO THE IMF RECOMMENDATIONS, THE DEFICIT FINANCING BY MONETARY INFLATION IS 33 PERCENT OF THE MONEY SUPPLY AS AGAINST 41 PERCENT ESTIMATED BY THE MINISTRY OF FINANCE. THIS PERCENTAGE INCREASE SHOULD BE REFLECTED IN AT LEAST THE SAME PROPORTIONAL INCREASE IN THE PRICE LEVEL IN 1973 ON THE HYPOTHESIS THAT THE ELEMENTS OF THE MONETARY EXPANSION AND ABSORPTION ARE MAINTAINED AS DETAILED IN THE REPORT NO. 7 - CAB/ B OF 1-15-73.

THE IMF RECOMMENDATIONS AIM AT THE REESTABLISHMENT OF FINANCIAL STABILITY LIMITING INFLATION TO A LEVEL ACCEPTABLE FROM A SOCIAL POINT OF VIEW. THEY ARE CONSIDERED ESSENTIAL FOR KEEPING THE ECONOMY AND PUBLIC FINANCES UNDER BETTER CONTROL. THE MINISTER OF ECONOMIC AND FINANCIAL AFFAIRS ACCEPT THE IMF RECOMMENDATIONS AS THEIR OWN AND PROPOSE TO THE COUNCIL OF MINISTERS TO ADOPT THEM, WITH SOME MODIFICATIONS, IN ORDER TO HOLD THE 1973 BUDGET AT THE TOTAL AMOUNT OF 34,700 MILLION RIELS. THE REDUCTION OF MATERIEL EXPENDITURES BY 20 PERCENT RECOMMENDED BY THE IMF, EQUAL TO 500 MILLION RIELS, IS REDISTRIBUTED TO THE FOLLOWING CATEGORIES OF EXPENDITURES:

- WORK AT THE CITY OF THE REPUBLIC (CHAMCAR MON) AS REINSERTED BY THE MARSHAL AND BY THE PRIME MINISTER (EMBASSY COMMENT: THE NATIONAL ASSEMBLY PREVIOUSLY TURNED THIS DOWN)...133,600,000 RIELS.
- WORK RECOMMENDED BY THE MARSHAL FOR THE ECONOMIC DEVELOPMENT OF COLLECTIVES AND GROUPS OF COMMUNES, NAMELY AT KOMPONG SOM (FISHING ZONE), PHNOM PENH (MASTER PLAN AND MANAGEMENT AT BENG TRABEK), KIRIROM, BATTAMBANG AND AT KANDAL....200,000,000 RIELS.
- MINISTRY OF RALLYING AND PACIFICATION.....100,000,000 RIELS.

THIS MINISTRY IS NEW. THIS FIRST ALLOCATION SHOULD PERMIT IT TO BEGIN TO TACKLE THE DELICATE PROBLEM OF RALLYING.
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 PHNOM 02236 121340 Z

- STATE COUNCIL AND CONSTITUTIONAL COURT.....5,000,000 RIELS.
- FINANCING OF WORK AT PREK THNOT.....50,000,000 RIELS.
- MISCELLANEOUS.....11,400,000 RIELS.
500,000,000 RIELS

THE MINISTER OF ECONOMIC AND FINANCIAL AFFAIRS FURTHER REQUESTS THE COUNCIL OF MINISTERS TO GIVE ITS VIEWS ON THIS

BUDGET EXERCISE FOR FY 73.

PHNOM PENH, FEBRUARY 17, 1973

THE MINISTER OF ECONOMIC AND
FINANCIAL AFFAIRS,

ITH THUY

SWANK

UNCLASSIFIED

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KABUL01681
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730324/aaaahlbj.tel
Line Count: 182
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 KABUL 1613
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 28 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10-Dec-2001 by elbezefj>; RELEASED <28-Dec-2001 by morefirh>; APPROVED <28-Dec-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971118
Subject: COMMUNITY CHRISTIAN CHURCH: STATUS REPORT
TAGS: CPRS, PFOR, SOCI, AF
To: NEA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005